



**Financial Assurance Board
Minutes
December 11, 2003 Meeting**

Board Members Present

James Acton, Public	Bruce Palin, IDEM
William Herdrich, Petroleum Marketers	Linda Dollens, IDR
David Certo, for State Treasurer Tim Berry	Roy Meeks, Service Stations
Tracy Boatwright, State Fire Marshal's Office	John Sharp, Financial Institutions
Greg Silver, Environmental Interests	Martha Hollingsworth, Public
Maggie McShane, Indiana Petroleum Council	

Board Members Not Present

Joanie Kanizer, Convenience Stores	Ed Grimmer, Public
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IDEM Staff Present

Nancy King, Board Counsel	Paul Serguta, Finance & Operations
Ann Long, OLC	

Mayor Acton, Chair, called the meeting to order and board members introduced themselves.

Minutes of the June 12, 2003 meeting

The Board noted three errors and approved the corrected minutes as noted.

New Business Update

Fund Administrator's Report

Mr. Palin reviewed the **Excess Liability Trust Fund Revenue and Expense Summary**. He pointed out that for the fiscal year ending June 30, 2003, \$43,000,000 had been paid out in claims, the highest amount ever. For fiscal year 2004, revenue is quite low. IDEM is working with Linda Dollens to determine if the revenue figures are correct. Mr. Palin addressed questions from Mr. Silver and Mr. Herdrich concerning the level of clean up at sites, transfers from the Fund, and the declining balance.

Mr. Serguta reviewed the **Petroleum Trust Fund Revenue and Expense Report**. He pointed out that claims continue to increase.

Report on Proposed Claim Review Improvements

Mr. Dan Turula and Mr. Jonathon Meadows, both of Navigant Consulting, Inc., made a presentation to the Board concerning ELFT Program Systems Enhancements. The current computer system and database are over 10 years old and have evolved from a system not originally intended to handle the ELTF program. The huge growth of the Program and the outdated computer system that lacks program management tools, pose risks to the Program. Navigant has identified four (4) areas in need that could be addressed by an improved system. 1) Improved financial controls, 2) system improvements and enhancements necessary due to the proposed rule revisions, 3) fund management tools for both analyzing historical costs and forecasting future costs, and 4) administrative cost savings. The Board voted unanimously in favor of IDEM proceeding with an initial analysis of the current system.

ELTF Rules Update

Ms. Ann Long gave an update of the proposed amendments to the existing ELTF rules. She discussed with the Board the five main issues addressed in the Draft Rule; prioritization of claims, cost accountability, access to the Fund (including third party liability), schedule of costs, and penalties. After the Board's discussion, Mr. Chris Braun, speaking on behalf of the Indiana Petroleum Marketers and Convenience Store Association, and Mr. Greg Romaine, with SESCO, Inc., made comments regarding the proposed rule revisions. Additional discussion ensued, concerning the financial status of the Fund and possible solutions to the declining balance. The Board will look into having someone, possibly from the Indiana Bond Bank, come and discuss bonding as a long-term solution.

Other Business

Next Board Meeting

The Board agreed that because of the rulemaking process, the Board would meet on both February 12, and March 11, 2004. Ms. Hollingsworth motioned that the meeting be adjourned and Mr. Meeks and Mr. Herdrich seconded the motion. The vote was unanimous and the meeting was adjourned.

Date: _____

Signature _____

James Acton, Chair
Financial Assurance Board